

## Department of State - Secretary of State

	FY 2012 ACTUAL	FY 2013 ESTIMATE	FY 2014 APPROVED
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	139.1	139.1	141.1 <sup>1/</sup>
Personal Services	4,643,300	4,800,700	4,858,700
Employee Related Expenditures	2,071,400	2,106,000	2,159,200
Professional and Outside Services	139,000	139,000	139,000
Travel - In State	13,700	14,500	14,500
Travel - Out of State	17,300	17,300	17,300
Other Operating Expenditures	1,416,600	3,021,200	3,010,200
Equipment	393,800	397,600	397,600
<b>OPERATING SUBTOTAL</b>	<b>8,695,100</b>	<b>10,496,300</b>	<b>10,596,500<sup>2/</sup></b>
<b>SPECIAL LINE ITEMS</b>			
Election Services	4,261,500	4,463,300	1,031,600 <sup>3/</sup>
Help America Vote Act (HAVA)	832,600	2,938,400	2,941,000 <sup>4/5/</sup>
Library Grants-in-Aid	648,000	651,400	651,400 <sup>6/</sup>
Litigation Costs	1,000	0	0
Statewide Radio Reading Service for the Blind	97,000	97,000	97,000
<b>AGENCY TOTAL</b>	<b>14,535,200</b>	<b>18,646,400<sup>7/</sup></b>	<b>15,317,500<sup>8/</sup></b>
<b>FUND SOURCES</b>			
General Fund	13,121,100	15,121,200	11,635,500
<u>Other Appropriated Funds</u>			
Election Systems Improvement Fund	832,600	2,938,400	2,941,000
Records Services Fund	581,500	586,800	741,000
SUBTOTAL - Other Appropriated Funds	1,414,100	3,525,200	3,682,000
<b>SUBTOTAL - Appropriated Funds</b>	<b>14,535,200</b>	<b>18,646,400</b>	<b>15,317,500</b>
Other Non-Appropriated Funds	1,159,300	1,139,700	1,139,700
Federal Funds	4,500,900	4,512,700	3,577,100
<b>TOTAL - ALL SOURCES</b>	<b>20,195,400</b>	<b>24,298,800</b>	<b>20,034,300</b>

**AGENCY DESCRIPTION** — The Secretary of State is an elected Constitutional Officer. The Department of State is responsible for recordings and filings under the Uniform Commercial Code (U.C.C.); coordinating statewide elections; receiving required filings from legislators, state officials, judges, candidates for office, campaign committees, and lobbyists; receiving filings of administrative rules, intergovernmental agency agreements, and official executive orders/proclamations; registering trade names, trademarks and limited partnerships; appointing notaries public; and certifying certain telemarketing and charitable solicitation organizations. In addition, the Department of State is the archival authority and designated repository for historical records and documents of state and local governments, as well as a designated federal document regional repository.

<sup>1/</sup> Includes 10 GF FTE Positions funded from Special Line Items in FY 2014.

<sup>2/</sup> Included in the operating lump sum appropriation of \$10,596,500 for FY 2014 is \$5,000 for the purchase of mementos and items for visiting officials. (General Appropriation Act footnote, as adjusted for statewide allocations)

<sup>3/</sup> Any transfer to or from the amount appropriated for the Election Services line item shall require review by the Joint Legislative Budget Committee. (General Appropriation Act footnote)

<sup>4/</sup> The FY 2014 appropriation from the Election Systems Improvement Fund for HAVA is available for use pursuant to A.R.S. § 35-143.01C and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations, until June 30, 2015. (General Appropriation Act footnote)

<sup>5/</sup> The Secretary of State shall report to the Joint Legislative Budget Committee and the Governor's Office of Strategic Planning and Budgeting on or before December 31, 2013 the actual amount and purpose of expenditures from the Election Systems Improvement Fund in FY 2013 and the expected amount and purpose of expenditures from the fund for FY 2014. (General Appropriation Act footnote)

<sup>6/</sup> This appropriation is a continuing appropriation and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)

<sup>7/</sup> In addition to these amounts, the FY 2013 General Appropriation Act included a one-time FY 2013 adjustment of \$(95,300) GF for the state employee health insurance premium holiday. (Please see the FY 2013 General Fund Adjustments section.)

<sup>8/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

### ***Operating Budget***

The budget includes \$10,596,500 and 131.1 FTE Positions in FY 2014 for the operating budget. These amounts consist of:

	<b>FY 2014</b>
General Fund	\$9,855,500
Record Services Fund	741,000

These amounts fund the following adjustments:

#### **Funding Increase**

The budget includes an increase of \$146,100 and 2 FTE Positions from the Record Services Fund in FY 2014 for a funding increase in the department's Division of Library and Archives. The funding will be used for Personal Services and equipment costs associated with increased digital storage activity.

#### **Statewide Adjustments**

The budget includes a decrease of \$(45,900) in FY 2014 for statewide adjustments. This amount consists of:

General Fund	(54,000)
Record Services Fund	8,100

*(Please see the Agency Detail and Allocations section.)*

### ***Election Services***

The budget includes \$1,031,600 and 10 FTE Positions from the General Fund in FY 2014 for Election Services. These amounts fund the following adjustments:

#### **Non-Election Year Funding**

The budget includes a decrease of \$(3,443,300) from the General Fund in FY 2014 for non-election year funding. FY 2014 will be the first fiscal year since FY 2010 with no major election. This adjustment would bring Election Services funding to an amount similar to what was expended in FY 2010. The remaining election services monies will continue to fund ongoing staff related to voter registration, registering of lobbyists and voting machine testing.

#### **Statewide Adjustments**

The budget includes an increase of \$11,600 from the General Fund in FY 2014 for statewide adjustments.

This line item funds election-related activities, including voter registration and the certification of candidates, voting devices and the results of statewide elections. Funding is also used to publish the publicity pamphlet on state ballot propositions.

For state elections, statute requires the Secretary of State to: 1) reimburse counties for the costs of printing, labeling, and postage for sample ballots; 2) pay the cost of any

recount of votes; 3) reimburse the County Recorder for the costs of certifying petition and referendum signatures; and 4) print and mail a publicity pamphlet to every household with a registered voter for any initiative or referendum.

### ***Help America Vote Act (HAVA)***

The budget includes \$2,941,000 from the Election Systems Improvement Fund in FY 2014 for the Help America Vote Act (HAVA) (P.L. 107-252). This amount funds the following adjustments:

#### **Statewide Adjustments**

The budget includes an increase of \$2,600 from the Elections Systems Improvement Fund in FY 2014 for statewide adjustments.

HAVA is federal election reform legislation that imposes several requirements on the states with respect to the conduct of federal elections. Assuming the Secretary of State spends the full appropriations in FY 2013 and FY 2014, approximately \$10,580,200 in HAVA monies would be available in FY 2015.

### ***Library Grants-in-Aid***

The budget includes \$651,400 from the General Fund in FY 2014 for Library Grants-in-Aid. This amount is unchanged from FY 2013.

Monies in this Special Line Item (SLI) are used to fund a portion of the state maintenance of effort that is required for receipt of federal dollars under the Library Services and Technology Act (LSTA). Receipt of LSTA monies is dependent on the state's ability to meet a maintenance-of-effort requirement, which is tied to the state contribution made in each of the 3 prior years.

### ***Statewide Radio Reading Service for the Blind***

The budget includes \$97,000 from the General Fund in FY 2014 for Statewide Radio Reading Service for the Blind. This amount is unchanged from FY 2013.

Monies in this SLI are used to provide information access services for blind and visually impaired individuals. Services include radio information broadcasts, a telephone and web-based news reading service, and internet radio broadcasting for individuals who are outside the range of the radio broadcast.

### ***Additional Legislation***

#### ***Museum Gift Shop Revolving Fund***

The FY 2014 Government Budget Reconciliation Bill (BRB) (Laws 2013, 1<sup>st</sup> Special Session, Chapter 2) formally establishes the Museum Gift Shop Revolving Fund, which was already in use by the department. The fund is non-appropriated and is used to collect the

proceeds from the sale of goods, gifts, non-federal grants and donations in order to provide goods for sale that are reflective of the themes of Arizona and the State Capitol Museum.

***Professional Employer Organizations Registration***

The FY 2014 Government BRB suspends the requirement that the Secretary of State register Professional Employer Organizations pursuant to A.R.S. § 23-563 until June 30, 2023.

<b><i>Other Issues</i></b>
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***Automation Projects Transfer***

The budget includes one-time FY 2014 transfers from this agency's funds associated with its proportionate share of costs for replacement of the state's financial accounting system. *(Please see the Automation Projects narrative for more details.)*